

JUL 10 2008

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	
PETITIONER,)	CONSENT ORDER
)	
VS.)	
)	
UNITED HEALTHCARE INSURANCE)	CAUSE NO. C-1707
COMPANY,)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its representative, Martin W. Swanson and United Healthcare Insurance Company, ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §44-101.01, §44-303 and §44-4047, et seq.
2. Respondent was licensed as an insurance company under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. United Healthcare Insurance Company, Cause Number C-1707 on June 11, 2008. A copy of the petition was served upon the Respondent, at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. The petition alleges that Respondent violated Neb. Rev. Stat. §§44-1540(3), 44-1540(4), 44-5905(2)(b)(i)(A) and Title 210 NAC Ch. 61 §§004.01, 004.02 and 004.03 as a result of the following conduct:

- a. On September 10, 2007, a complaint was received by the Nebraska Department of Insurance regarding a denial of a claim by Respondent due to services being rendered after termination. Scott Zager (Zager), an insurance investigator with the Nebraska Department of Insurance, opened up an investigation. Respondent identified two conflicting termination dates on its system, and also discovered that processor error resulted in the destruction of the original termination document, in their letter of response to the Department of Insurance on October 16, 2007. Zager asked Respondent to reproduce the documents in question, Respondent could not.
- b. Respondent acknowledged in the October 16, 2007 letter, that its eligibility system showed coverage through May 31, 2007, but that claims processing showed coverage through May 30, 2007. The services in question from the complaint were provided on May 31, 2007.
- c. The discrepancy in the system dates were noted and documented by a company representative during the first request for reconsideration on June 15, 2007. Respondent referred the file for reconsideration but the claim was closed without action on June 28, 2007. Respondent acknowledges the claim was "incorrectly closed."
- d. The complainant called Respondent again on July 10, 2007. Respondent's phone logs show that Respondent opened a work item to fix the termination date, and referred the file to Rapid Resolution Expert (RRE). However, the RRE asserted the May 30, 2007 date was correct, and referred the insured to the employer.
- e. The insured called Respondent again on August 22, 2007. Phone logs show Respondent referring the file to the eligibility department to correct the conflicting system dates. Respondent asserted the May 30th date was correct based upon certain information and referred the insured to the employer.
- f. The insured called Respondent again on September 10, 2007 and was told by Respondent that "final verification" determined the termination date was correct, and the claim denial was upheld.
- g. The termination date was adjusted to June 1, 2007 and the claim(s) were paid by Respondent.

3. Respondent was informed of the right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving its right to a public hearing, Respondent also waives its right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent denies the allegations as set forth above but in order to resolve this matter, Respondent agrees to abide by the terms set forth below in this Consent Order.

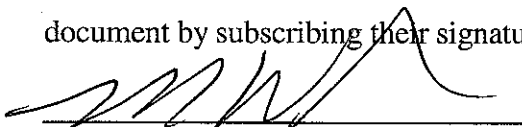
CONCLUSIONS OF LAW

The conduct of United Healthcare Insurance Company, as alleged above, constitutes a violations of Neb. Rev. Stat. §§44-1540(3), 44-1540(4), 44-5905(2)(b)(i)(A) and Title 210 NAC Ch. 61 §§004.01, 004.02 and 004.03.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, that Respondent shall pay an administrative fine in the amount of \$1,000. The Respondent has thirty days from the date of approval of this consent order by the Nebraska Director of Insurance to pay the \$1,000 fine. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Department to make application for such further orders as may be necessary.

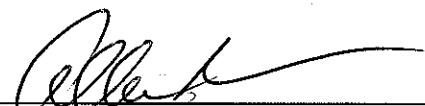
In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.



Martin W. Swanson, #20795
Department of Insurance
941 O Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2201

Date

08 July 08



United Healthcare Insurance Company

By: ALLEN J. SORBO, CEO

Date

JULY 7, 2008

State of Connecticut)
County of Fairfield) ss.

On this 7th day of July, 2008, Allen Sorbo personally
appeared before me, on behalf of United Healthcare Insurance Company, and read this Consent
Order, executed the same and acknowledged the same to be his voluntary act and deed.

Carol F. Foley
Notary Public

my commission
Expires: Jan. 31, 2013

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the
Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs.
United Healthcare Insurance Company, Cause No. C-1707.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Ann M. Frohman

Ann M. Frohman
Director of Insurance

7/10/08
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent at
Mail Stop MN 012-S205, 5901 Lincoln Drive, Edina, MN 55436, by certified mail, return receipt
requested on this 10 day of July 2008.

Tracy A. Shuman